

Eau Claire State of the City 2011

Kerry Kincaid
City Council President
January 21, 2011



Thank you to

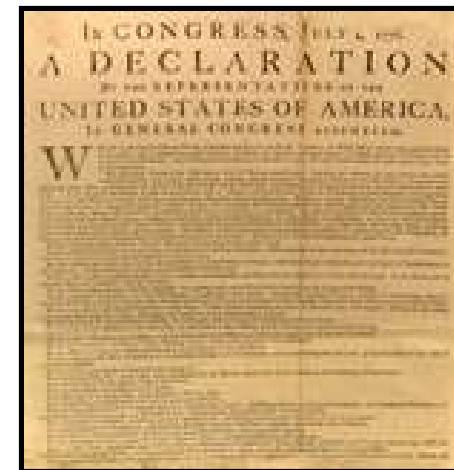
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What is the Purpose of Government?

The Declaration of Independence says the purpose of government is

“... to secure the unalienable rights of Life, Liberty and Pursuit of Happiness,... governments are instituted by the consent of the governed....”



How does a democratic government fulfill its purpose?

Through the creation and preservation of a system of public structures that are fair, and responsive to the people

- Social structures – networks of people
- Physical structures – durable infrastructure
- Organizational structures – system of checked power

Public structures are often invisible.



Explaining Public Structures

Public Structures are like the skeleton, creating the framework on which the body's systems function.

Think of this figure as the bare-bones structure of a public system, like a city -- Eau Claire.



Organizational Public Structures



Like the skull protects and enables the brain to function, the organization of government supports thoughtful public policy and planning .

- **City Council Organization**

Eleven Members - 5 At Large and 5 District members

Non-partisan

City Manager and expert staff

3-year terms with president elected in general election

- **City Council at Work in 2010**

New ordinances

Rejected Urban Chickens

Banned K2 Spice

Approved a Remodeled County Government Center and New Jail

Amended the Personnel Policy regarding nepotism

Reviewed local preference in the procurement process

Initiated a Neighborhood Stabilization program



Organizational Public Structures

- **City Council at work in 2010**

- Constituent service

- Citizen engagement – Clear Vision matures
 - Facebook engaged
 - FISPAC public forums utilized
 - Public Notice Process expanded

- Leadership

- Extraterritorial Jurisdiction agreement with Towns
 - Shared Services Committee strengthened
 - Accepted into Regional Business Loan Fund
 - Rejected an outsourcing proposal for utility billing
 - Reviewed Tax Exempt properties
 - Participated in Incident Command System overview
 - Adopted a balanced budget



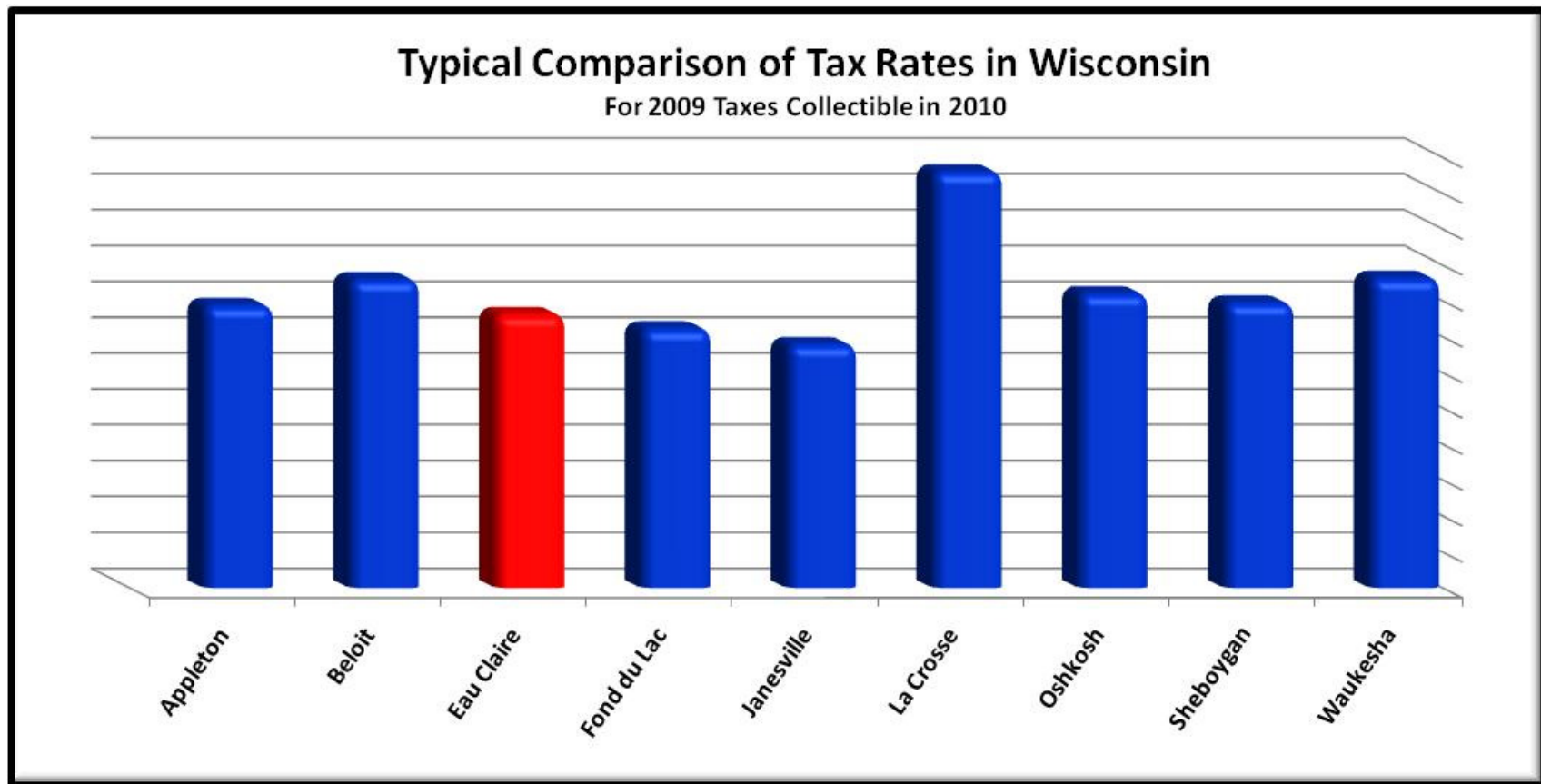
Tax Levy 2011

Total Operating Budget 2011	\$103,652,100	inc.	3.6%
Total CIP 2011	\$ 24,161,800	inc.	14%
Total Spending	\$ 127,813,900	inc.	5.5%
Total City Levy 2011 (city, library, health dept.)		inc.	4.8%
Total Tax Rate 2011 (city, library, health dept.)	8.014/\$1000	inc.	9.1%



Comparable Tax Rates in WI Cities

How does the City's equalized tax rate
compare to the tax rate in other Wisconsin
municipalities around the state?



Wisconsin Taxpayers Alliance – “Municipal Facts 10”

Tax Year	Assessment Year	Assessed Value (in billions)
2011	2010	\$ 4.3
2010	2009	4.5
2009	2008	4.4
2008	2007	4.3
2007	2006	3.8
2006	2005	3.7
2005	2004	3.6
2004	2003	3.1
2003	2002	3.1
2002	2001	3.0
2001	2000	2.4
2000	1999	2.3

Property Assessments

Source: City Assessor's Office

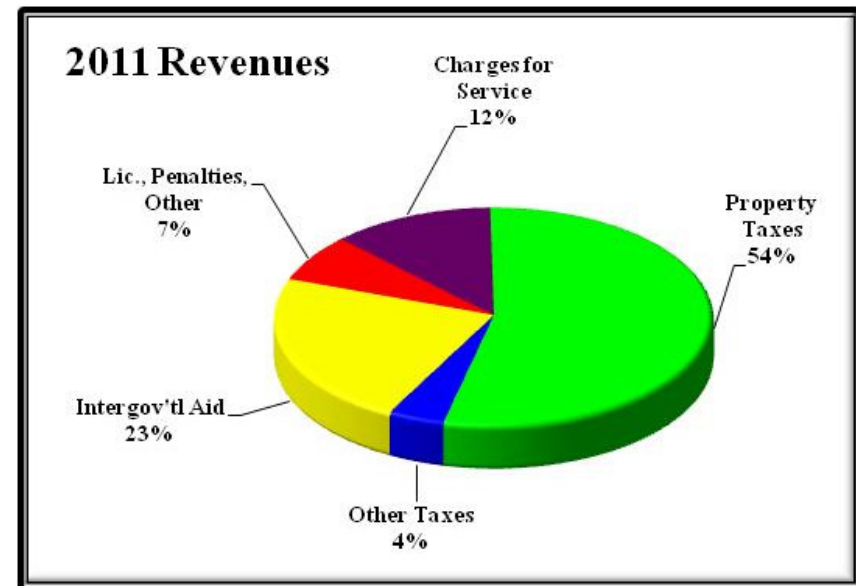
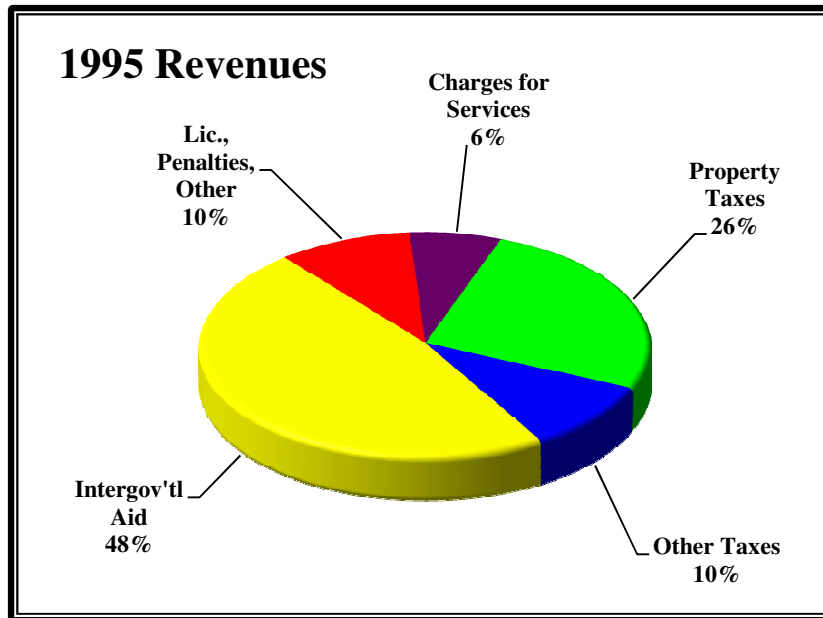
The last decrease in property values occurred in 1943 with a 7% reduction.

For homeowners, a combined tax rate increase of 9.1% and an average property valuation reduction of about 4% translated into a tax increase of about 5%.



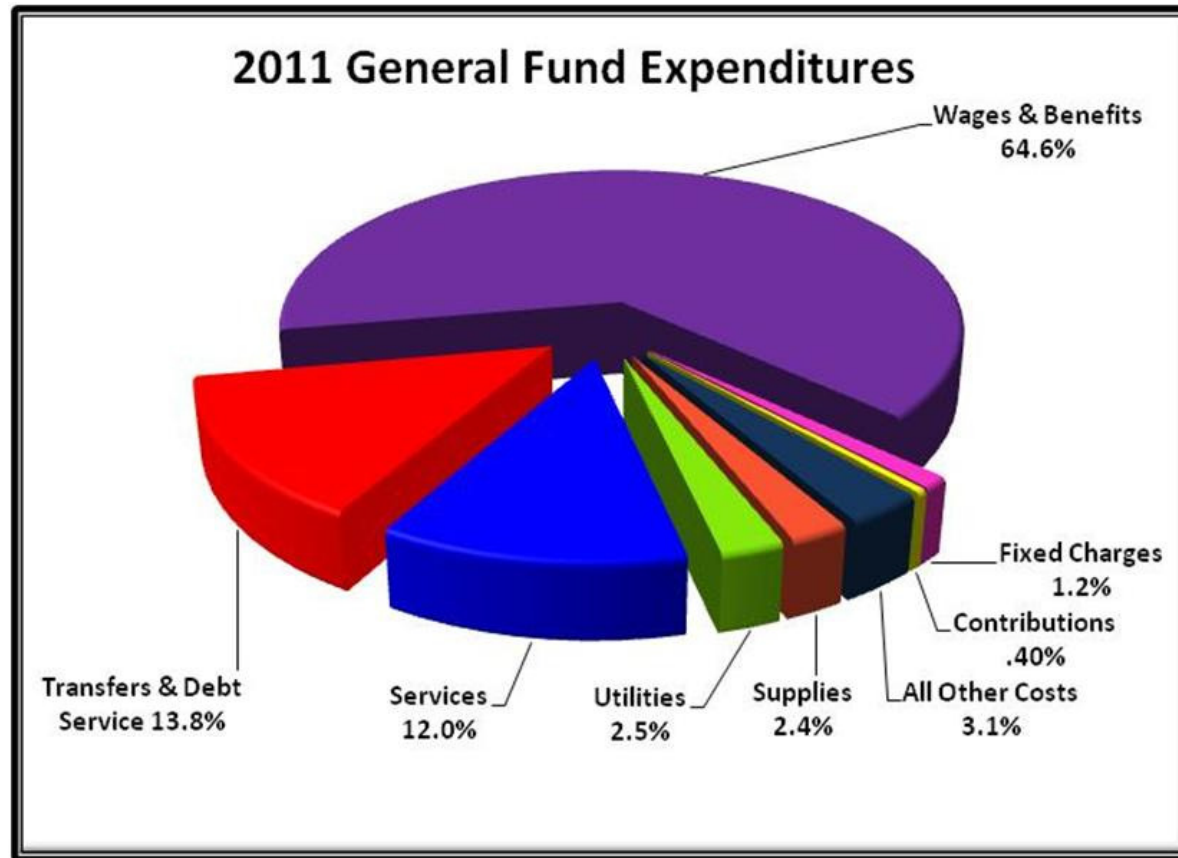
Public Service Revenue

source: City Finance Department



Public Service Expenditures

source: City finance department



Budget Adjustments

2011 Council Action: Budget Adjustments

- Used fund balance to reduce the levy increase
- Directed the City Manager to initiate an assessment of the city's organizational structure
- Convened a small work group to review the public pool operations
- Transferred savings from donated labor for new Phoenix Park restrooms to other park restrooms
- Approved conservative wage and benefit adjustments



Organizational Public Structures

like the body's skull protects the brain, the organization of the public sector protects the public lives of everyone

Public Sector – are the people who implement public policy within an organizational structure adopted for the public good.

Evidence of an effective Public Sector in Eau Claire



Service Innovations:

Regional EMS maturing

Hobbs users consortium saving costs

Green Building Policy to be unrolled in 2011

Eco-Municipality and Natural Step Process adopted



Awards: evidence of public sector expertise

Baldrige Model and Focus Groups:
still improving internal processes



City Staffing Levels

A Very Lean Machine

Employees Per 1,000 Population

	<u>1980</u>	<u>2010</u>	<u>% Change</u>
Public Safety	3.53	3.45	-2%
Public Works & Parks	4.87	3.01	-38%
General Government	1.23	0.96	-22%

Population

1980: 51,500

2010: 66,149



Source: Wisconsin Dept of Administration (Est.)

Physical Public Structures

Like the body's backbone creates a sturdy pathway for the circulatory systems, public works support a system of community mobility.

Public Works

Road projects

Third Ward Commons – first of its kind
Historic snow removal – lifesaving response
Galloway St. Old Abe Trail – a long, long trail

Transit

New transit center planning – better public transportation

Air lines

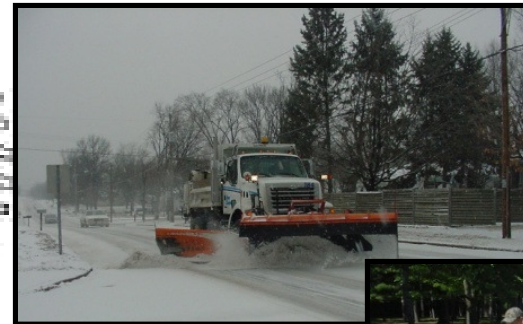
New service to O'Hare - increased ridership

Public Utilities

Storm Water Management initiative – purer water
Upgrade to wastewater treatment plant – methane recapture saves thousands
Sustainable Energy initiatives – diversify resources

Information Architecture

BTOP grant winner – fiber backbone for everyone



Physical Public Structures

**Like the rib cage protects the body's most vital organs,
Public Safety structures protect the community**

Police

Upgrades to Public Safety Facility shared with EC County
Principle of community visibility strengthened
West Wisconsin Drug Task Force – city a leader in effort



Fire and EMS

Regional EMS system enhanced through addition of internal training



Physical Public Structures

**Like the leg bones allow the body to move freely,
parks make an active and healthy community**

Parks

Urban Forest Management study - fighting disease, protecting valuable asset

Riverview Park improvements and Half Moon Lake remediation – reclaiming
a pristine natural asset



Social Public Structures

Like the arm bones help the body be expressive , social public structures create a space for community interactions

- Economic Development Initiatives
 - New business at Banbury – the right recipe for 50 jobs
 - Downtown Revitalization – we can't stop now!
- Arts and Entertainment
 - ECRAC allocated grant for theatre upgrades – a gem keeps on shining
 - Strong local tourism – more people *Visit Eau Claire*
 - Sculpture Walk in downtown – art attracts
- Non-Profit Network of Services
 - Bolton Refuge House move – vital services deserve a break
 - Community Television funding in jeopardy – we must find solutions



Government exists for the People – the Heart of a Public System

Remember:

Like the skeleton protects and provides structure for the body's many functions, public structures organize and protect a system of public life, so *all* people can live together in productive and responsible ways.



Eau Claire: Citizens

Source: US Census, American Community Survey 2005-2009, 5 Year Estimates

Demographics

- Population 66,149 *(Source: 2010 Final Population Estimate, DOA, WI Demographic Services Center)*
- Median age: 28.5 years (WI 37.8)
- Education: 92% Eau Claire citizens are High School graduates or higher (+25 yrs.) (WI 89%)
31% Eau Claire citizens hold a Bachelors degree or higher (+25 yrs.) (WI 25.5%)
- Race:
 - 92.4% White
 - 4.3% Asian
 - 1.6% Black or African American
 - 1.3% American Indian
 - .4% All Other
- Wisconsin Dept. of Administration Projections
 - 2020 Population: 74,474
 - 2030 Population: 80,970



Source: US Census American Community Survey 2005-2009

Eau Claire Citizens at Work

source: US Census, American Community Survey, 2005-2009

- Median annual earnings
 - Workers (wage income) - \$18,209 WI \$28,641
 - Male full-time workers – \$39,588
 - Female full-time workers – \$28,849
 - Median family income (includes non-wage income) – \$58,656 WI \$62,638
- Unemployment rate – 6.1% (Nov. 2010 - low) WI 7.1 (Nov.)
- Major employers –
 - (1000+) Menards
 - Luther Hospital
 - EC Area School District
 - UWEC
 - Sacred Heart Hospital
 - Midelfort Clinic, Mayo Health System
 - Prime Care Health Plan
 - Hutchinson Technology Inc.
- Cost of Living Index - 95.8 April 2010 (Eau Claire MSA)



Pressing Local Public Issues in 2011

- Adjust to a new state administration
- Meet multi-Modal Transportation Needs
 - High Speed Rail – next steps in Western WI
 - Participation in I94 Corridor Coalition
 - Creation of Regional Transit Authority
- Evaluate tax fairness
- Manage infrastructure projects
 - Complete plans for South Barstow St. reconstruction
 - Oversee the final phase Business 53 reconstruction
 - Continue to prepare for West Bank redevelopment
 - Actively participate in the County T corridor planning process
 - Cooperate with County on completion of jail and government building
- Change funding and delivery of Community Public Access Television services
- Build relationships with surrounding jurisdictions



Pressing Issues (continued)

– Work harder at Economic Development

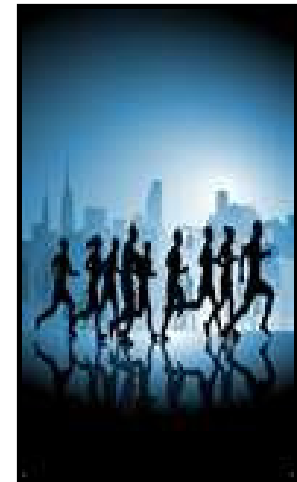
- Develop a Regional Identity - details need to be answered
- Attract Entrepreneurs – divert % property tax to a local, “right after the angel funds run out” fund?
- Retain Current Business – develop a local at-risk fund?
- Capitalize on Relationship with Twin Cities – don’t let the new train end west of River Falls
- Raise median wage rates – create internship for low income, use emerging products from the CVTC energy center
- Quality of Place – keep making good food and art, create a drop-in shelter, engage diverse cultures among us



Public Sector Leadership

Our job is to build public structures that are fair and responsive.

- Fair policies build confidence
- Responsive policies build acceptance



Eau Claire, Wisconsin

A City That Works



www.EauClaireWI.gov/StateOfTheCity2011



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City Council: Strategic Priorities

2010-2012

Established using the Baldrige Quality Improvement Criteria Model

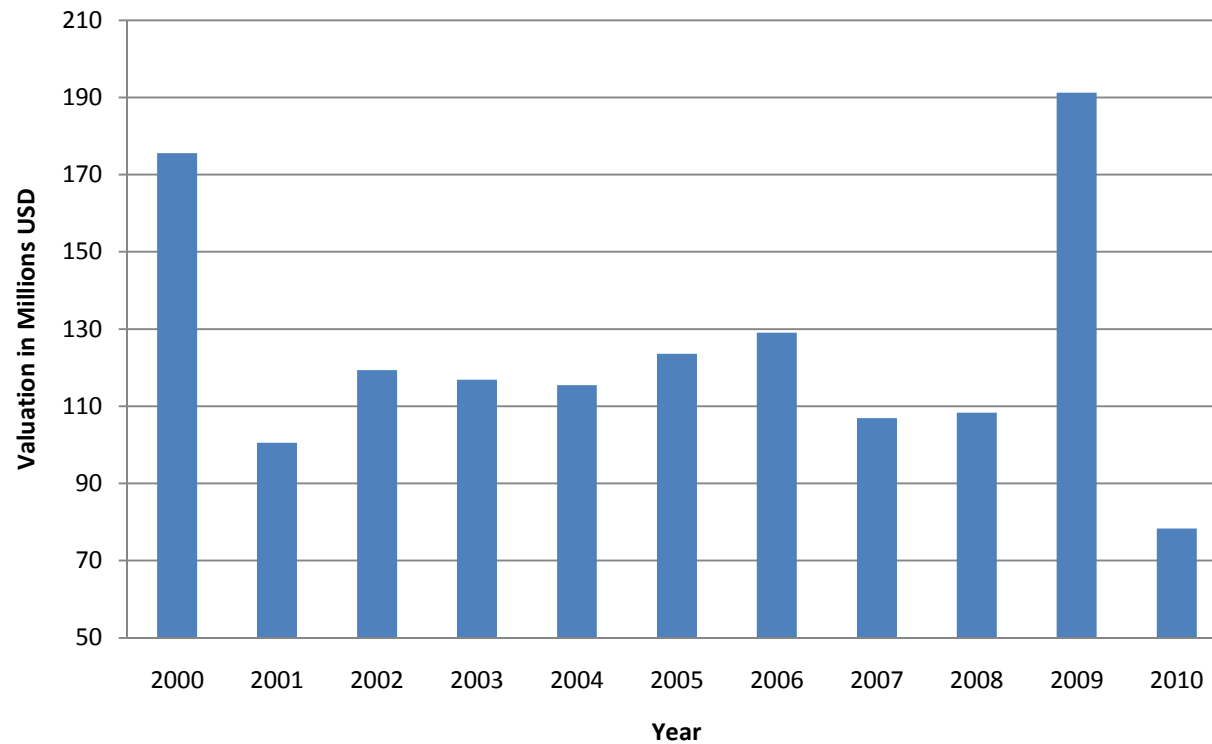
- Develop a process for listening and responding to our citizens.
- Ensure a fiscally sound and sustainable municipal government.
- Build a resilient and vibrant community with proactive economic development.
- Ensure that our physical and natural infrastructure needs are protected and maintained.
- Empower a skilled and innovative work force.
- Become a leader in civic engagement and collaborative problem solving.
- Create and sustain a healthy community.
- Create a blueprint for a sustainable public transportation system.



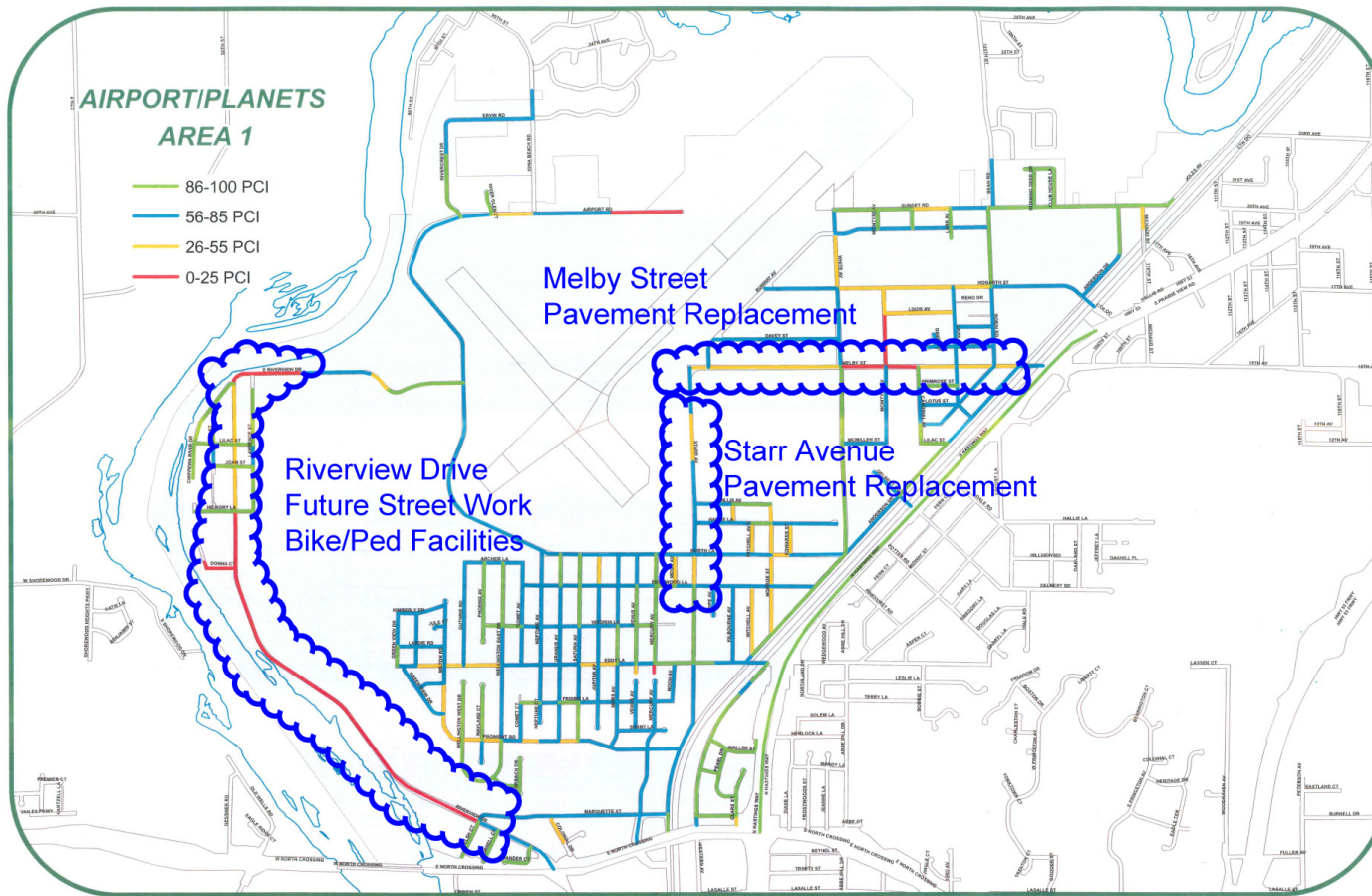
Building Valuations

Source: City Inspection Services Division

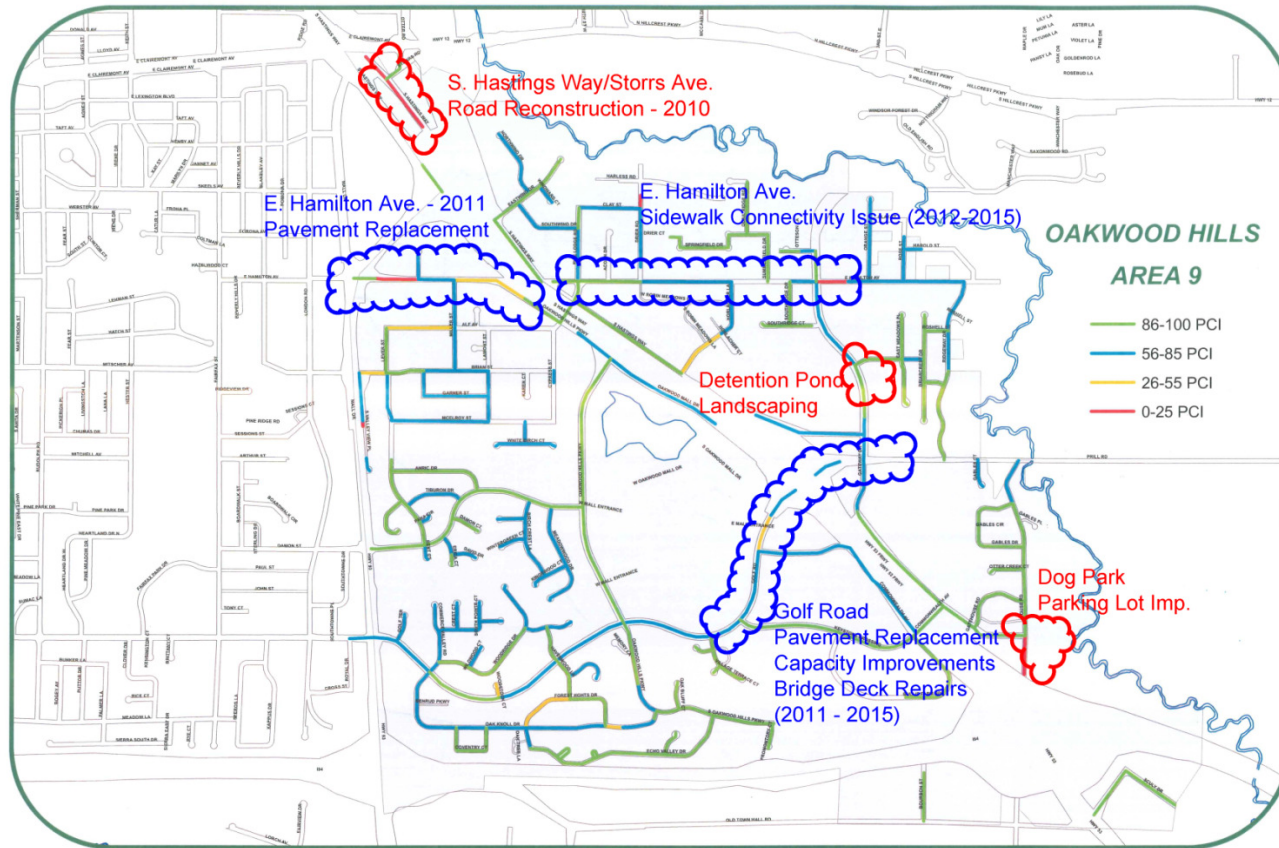
Total Building Valuations by Year 2000-2010 Taxable and Non-taxable



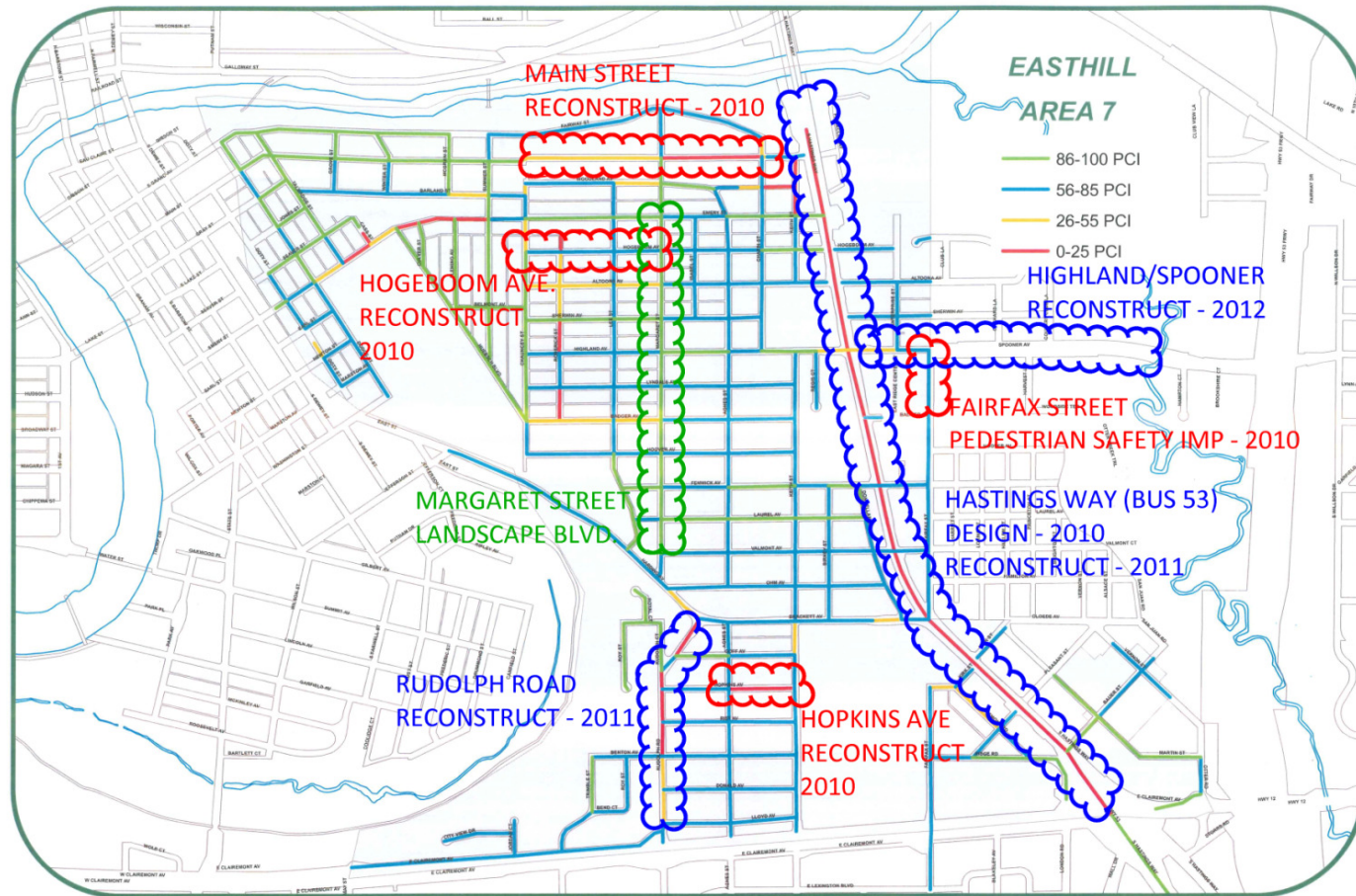
Public Works Projects



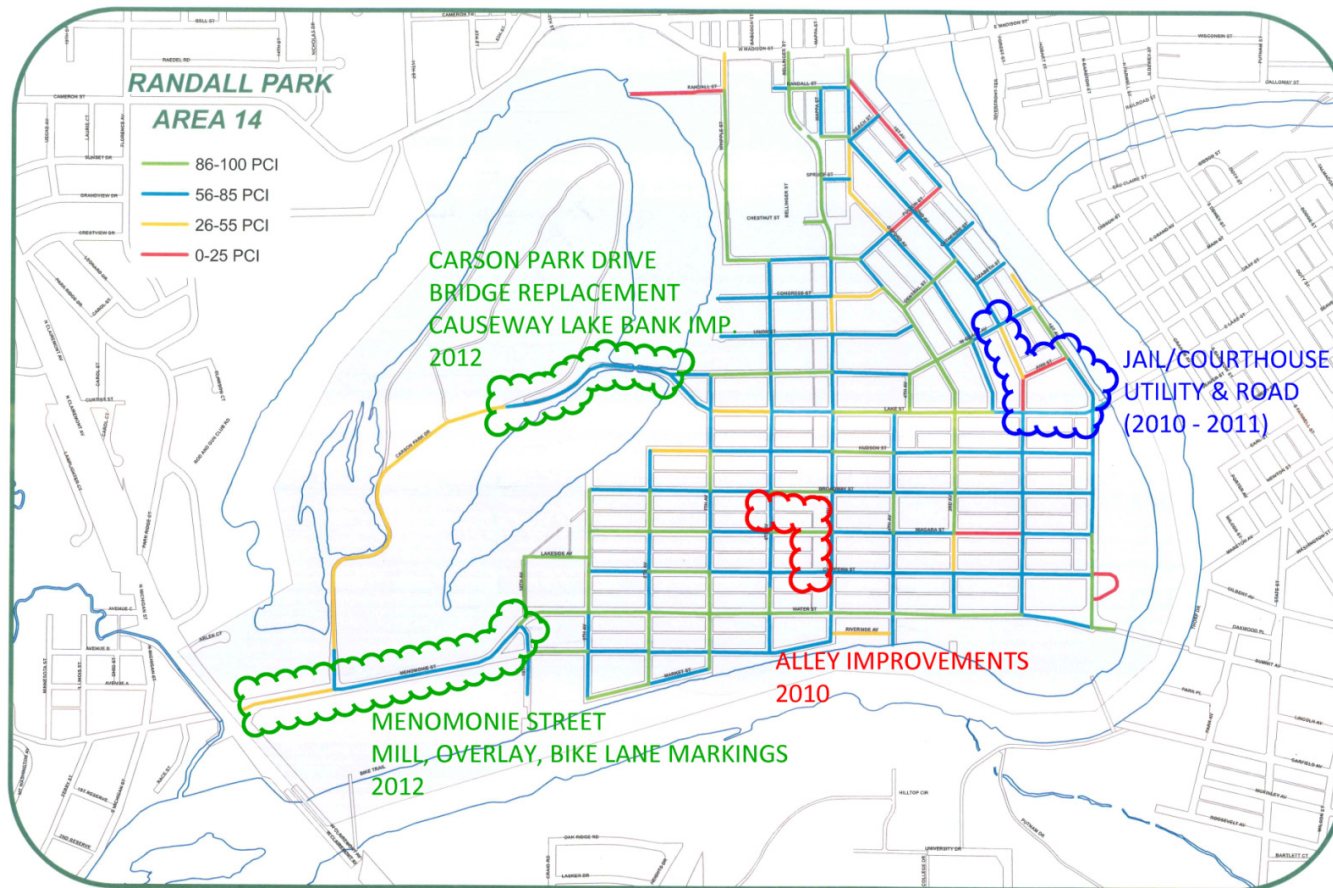
Public Works Projects



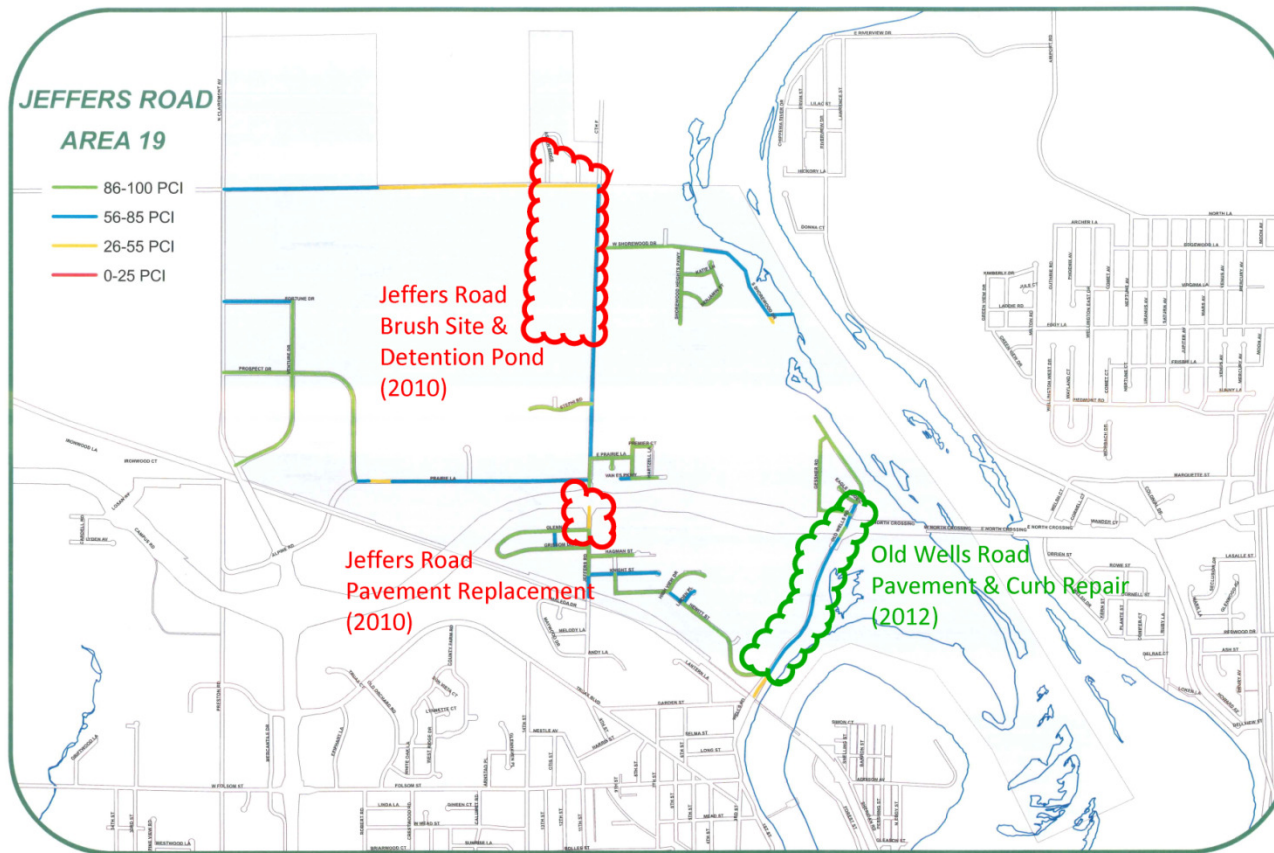
Public Works Projects



Public Works Projects



Public Works Projects

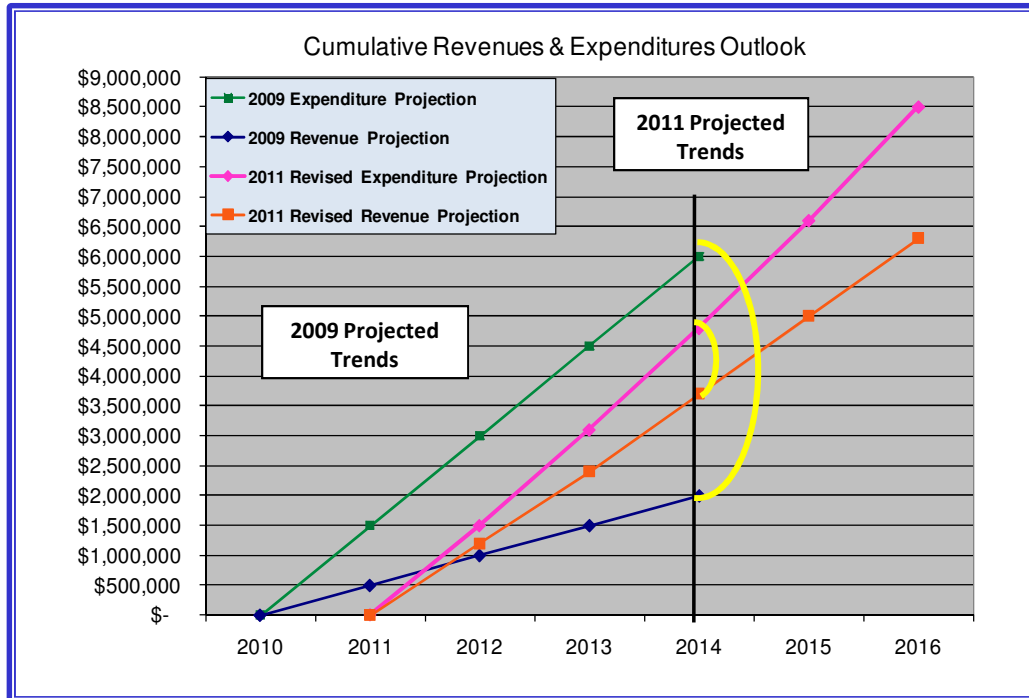


City Services: Historical Comparison

	<u>1980</u>	<u>2010</u>	<u>% Inc.</u>
City Population	51,500	66,149	28.4%
Miles of Streets	280	343	22.6%
Miles of Sewer Main	213	321	50.7%
Miles of Water Main	225	368	63.6%



Focus on Closing the Budget Gaps



Gap projections narrowed from \$4 million to \$1 million

- Lower wage settlements
- Manageable increases in health insurance
- Shift in revenue base from shared revenues to taxes

Challenges

- State deficit of \$1 to \$3 billion
- Levy Limits
- Personnel Costs



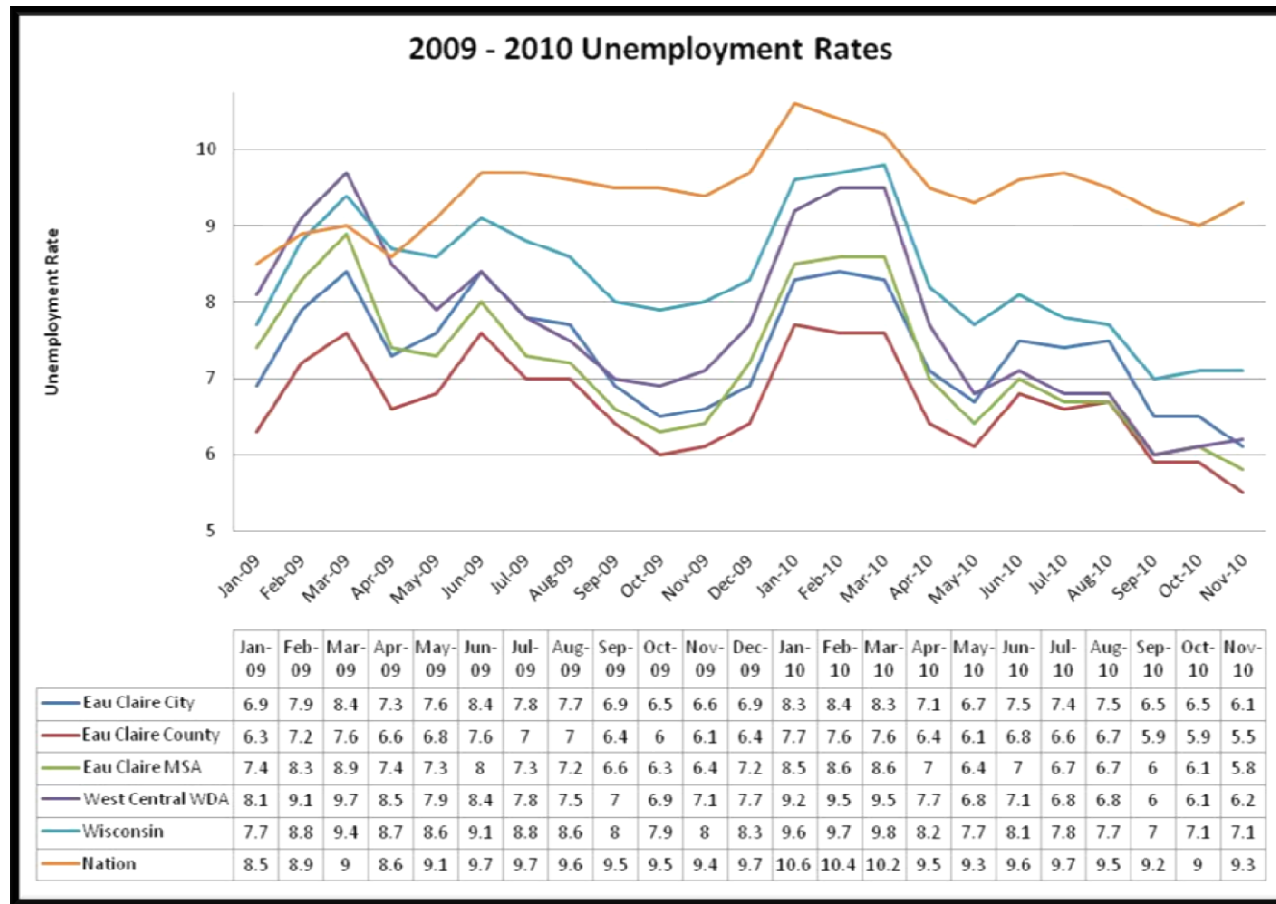
Employment Projections

West Central Wisconsin Workforce Development Area Industry Employment Projections, 2006-2016					
(Barron, Chippewa, Clark, Dunn, Eau Claire, Pepin, Pierce, Polk, and St. Croix counties)					
NAICS	Industry Title	Estimated Employment ⁽¹⁾			
		2006	2016	Change	% Change
	Total, All Nonfarm Industries	178,630	192,050	13,420	7.5%
1133, 21, 23	Construction/Mining/Natural Resources	8,270	9,060	790	9.6%
31-33	Manufacturing	33,590	33,010	-580	-1.7%
311	Food Manufacturing	5,410	5,310	-100	-1.8%
333	Machinery Manufacturing	4,000	3,770	-230	-5.8%
334	Computer and Electronic Product Manufacturing	3,800	3,070	-730	-19.2%
42, 44-45	Trade	29,910	30,400	490	1.6%
445	Food and Beverage Stores	4,810	4,730	-80	-1.7%
48-49, 22	Transportation and Utilities (Including US Postal)	8,570	9,670	1,100	12.8%
52-53	Financial Activities	7,430	8,180	750	10.1%
61-62	Education and Health Services (Including State and Local Government)	38,900	44,520	5,620	14.4%
611	Educational Services (Including State and Local Government)	16,240	16,930	690	4.2%
622	Hospitals (Including State and Local Government)	7,710	9,140	1,430	18.5%
71-72	Leisure and Hospitality	17,840	19,850	2,010	11.3%
51, 54-56, 81	Information/Prof. Services/Other Services ⁽²⁾	21,210	24,080	2,870	13.5%
	Government (Excluding US Postal, State and Local Education and Hospitals) ⁽³⁾	12,910	13,270	360	2.8%

Source: Office of Economic Advisors, Wisconsin Department of Workforce Development, November 2008



Eau Claire City: Unemployment Rates 2010



Source: Dept. Workforce Development, WORKnet - LAUS

Eau Claire City: Wage Earnings

Source: US Census, American Community Survey 2005-2009



Median earnings for workers	\$18,209
WI	\$28,641

Median earnings for male full-time, year-round workers	\$39,588
WI	\$45,274

Median earnings for female full-time, year-round workers	\$28,849
WI	\$33,608



Source: US Census American Community Survey 2005-2009

Eau Claire MSA: Cost of Living

Cost of Living

COST OF LIVING INDEX	EAU CLAIRE, WISCONSIN	CHICAGO, ILLINOIS	ST. CLOUD, MINNESOTA	MINNEAPOLIS, MINNESOTA	ROCHESTER, MINNESOTA
Overall	95.8	118.3	98.9	109.7	98.8
Food	100.5	113.2	100.7	110.6	89.1
Housing	90.0	134.3	81.9	115.9	88.9
Utilities	81.7	126.3	120.9	104.1	105.5
Transportation	106.5	119.7	101.8	101.8	104.3
Health	106.9	108.5	102.6	105.4	110.3
Miscellaneous	98.2	104.2	105.3	109.2	106.2
National Index Avg.	100.0				

Source: Accra Cost of Living Index, April 2010

